

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

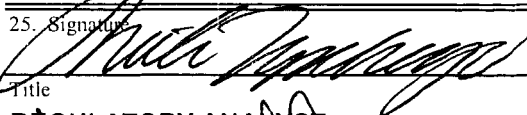
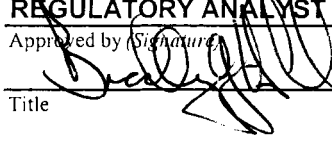
FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU-38420
b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator KERR MCGEE OIL & GAS ONSHORE LP		7. If Unit or CA Agreement, Name and No.
3A. Address 1368 SOUTH 1200 EAST VERNAL, UT 84078		8. Lease Name and Well No. BONANZA 1023-7E-4
3b. Phone No. (include area code) (435) 781-7024		9. API Well No. 43-047-38913
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SWNW LOT 2, 2420'FNL, 1269'FWL At proposed prod. Zone 4424824Y 109.373718		10. Field and Pool, or Exploratory NATURAL BUTTES
14. Distance in miles and direction from nearest town or post office* 24.8 MILES SOUTH OF OURAY, UTAH		11. Sec., T., R., M., or Blk, and Survey or Area SEC. 7, T10S, R23E
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig unit line, if any) 1269'	16. No. of Acres in lease 636.60	12. County or Parish UINTAH
18. Distance from proposed* location to nearest well, drilling, completed, applied for, on this lease, ft. REFER TO TOPO C	19. Proposed Depth 8290'	13. State UTAH
20. BLM/BIA Bond No. on file WY-2357		
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5234' UNGRADED GL	22. Approximate date work will start*	23. Estimated duration

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- | | |
|---|---|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification. |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized office. |

25. Signature 	Name (Printed/Typed) SHEILA UPCHEGO	Date 12/5/2006
Title REGULATORY ANALYST		
Approved by (Signature) 	Name (Printed/Typed) BRADLEY G. HILL	Date 12-13-06
Title ENVIRONMENTAL MANAGER		

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on reverse)

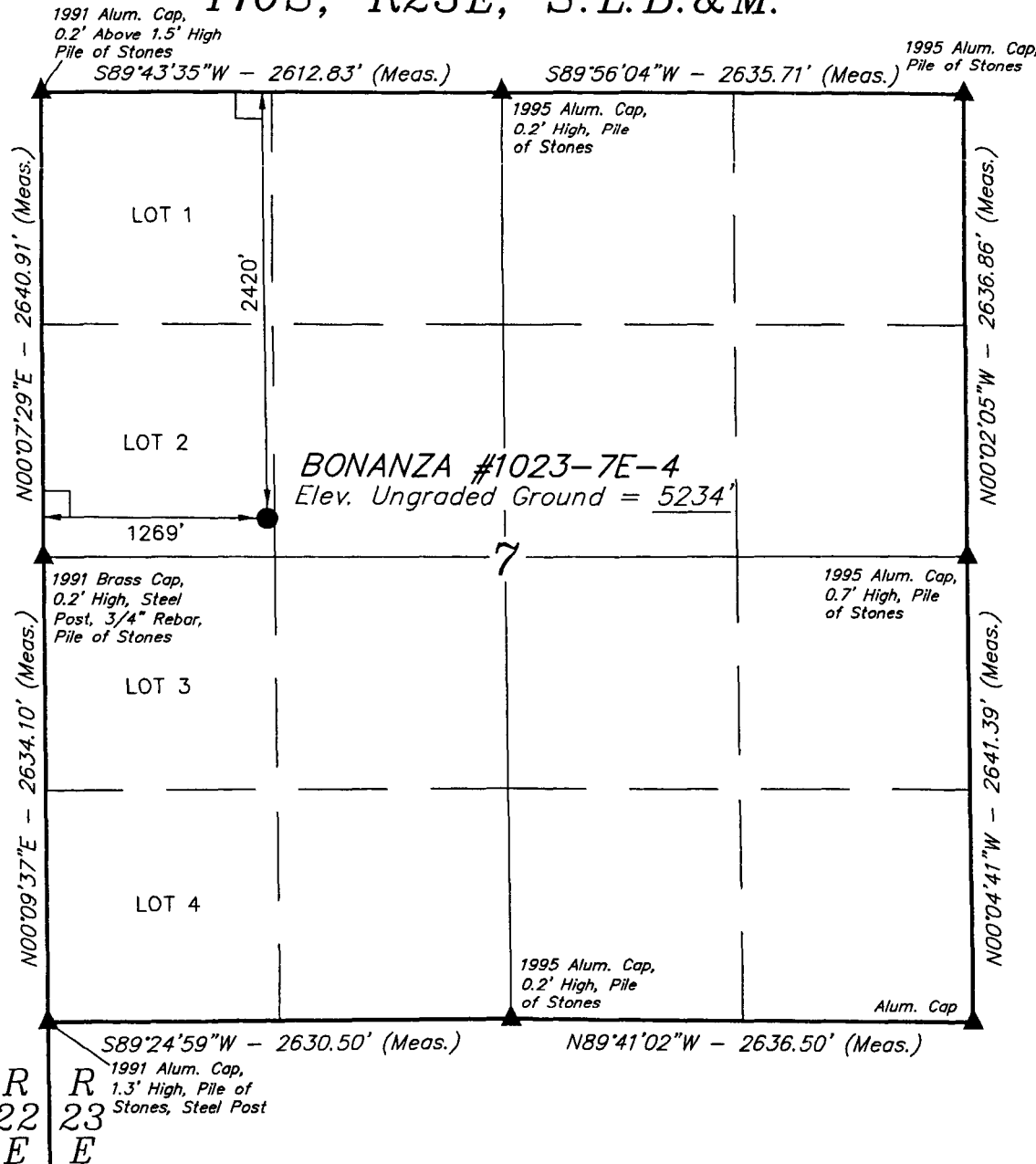
Federal Approval of this
Action is Necessary

RECEIVED

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DIV. OF OIL, GAS & MINING

T10S, R23E, S.L.B.&M.



Kerr-McGee Oil & Gas Onshore L.P.

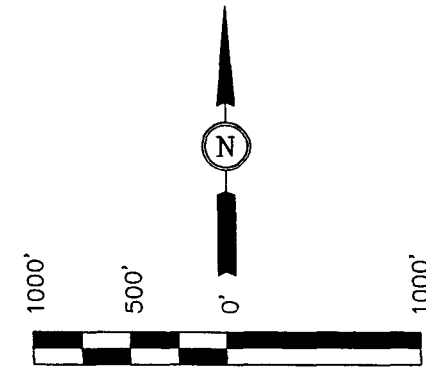
Well location, BONANZA #1023-7E-4, located as shown in Lot 2 of Section 7, T10S, R23E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

BENCH MARK 58 EAM (1965) LOCATED IN THE NE 1/4 OF SECTION 30, T9S, R23E, S.L.B.&M. TAKEN FROM THE RED WASH SE, QUADRANGLE, UTAH, UTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5132 FEET.

BASIS OF BEARINGS

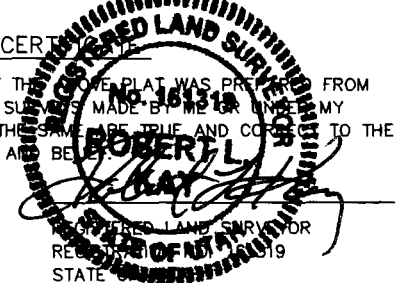
BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



SCALE

CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEY MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 08-17-06	DATE DRAWN: 09-05-06
PARTY D.K. M.B. C.H.	REFERENCES G.L.O. PLAT	
WEATHER HOT	FILE Kerr-McGee Oil & Gas Onshore L.P.	

LEGEND:

— = 90° SYMBOL

● = PROPOSED WELL HEAD.

▲ = SECTION CORNERS LOCATED.

(NAD 83)

LATITUDE = 39°57'50.50" (39.964028)

LONGITUDE = 109°22'27.59" (109.374331)

(NAD 27)

LATITUDE = 39°57'50.62" (39.964061)

LONGITUDE = 109°22'25.14" (109.373650)

**BONANZA #1023-7E-4
SW/NW SEC. 7, T10S,R23E
UINTAH COUNTY, UTAH
UTU-38420**

ONSHORE ORDER NO. 1

DRILLING PROGRAM

1. Estimated Tops of Important Geologic Markers:

<u>Formation</u>	<u>Depth</u>
Uinta	0- Surface
Green River	1198'
Top of Birds Nest Water	1353'
Mahogany	1953'
Wasatch	4100'
Mesaverde	6390'
MVU2	7213'
MVL1	7759'
TD	8290'

2. Estimated Depths of Anticipated Water, Oil, Gas, or Mineral Formations:

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
Water	Green River	1198'
	Top of Birds Nest Water	1353'
	Mahogany	4100'
	Wasatch	6390'
Gas	Mesaverde	7213'
Gas	MVU2	7759'
Gas	MVL1	8290'
Water	N/A	
Other Minerals	N/A	

3. Pressure Control Equipment (Schematic Attached)

Please refer to the attached Drilling Program.

4. Proposed Casing & Cementing Program:

Please refer to the attached Drilling Program.

5. Drilling Fluids Program:

Please refer to the attached Drilling Program.

6. Evaluation Program:

Please refer to the attached Drilling Program.

7. **Abnormal Conditions:**

Maximum anticipated bottomhole pressure calculated at 8290' TD, approximately equals 5140 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 3316 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. **Anticipated Starting Dates:**

Drilling is planned to commence immediately upon approval of this application.

9. **Variances:**

Please refer to the attached Drilling Program.

10. **Other Information:**

Please refer to the attached Drilling Program.



KERR-McGEE OIL & GAS ONSHORE LP **DRILLING PROGRAM**

COMPANY NAME	KERR-McGEE OIL & GAS ONSHORE LP		DATE	December 5, 2006	
WELL NAME	BONANZA 1023-7E-4		TD	8,290' MD/TVD	
FIELD	Natural Buttes	COUNTY	Uintah	STATE	Utah
				ELEVATION	5,234' GL KB 5,249'
SURFACE LOCATION	SWNW SEC. 7, T10S, R23E 2420'FNL, 1269'FWL LOT 2			BHL	Straight Hole
	Latitude: 39.964028		Longitude: 109.374331		
OBJECTIVE ZONE(S)	Wasatch/Mesaverde				
ADDITIONAL INFO	Regulatory Agencies: BLM (SURF & MINERALS), UDOGM, Tri-County Health Dept.				

GEOLOGICAL FORMATION			MECHANICAL		
LOGS	TOPS	DEPTH	HOLE SIZE	CASING SIZE	MUD WEIGHT
		40'		14"	
			12-1/4"	9-5/8", 32.3#, H-40, STC	Air mist
Catch water sample, if possible, from 0 to 4,100'					
	Green River @	1,198'			
	Top of Birds Nest Water @	1353'			
	Preset f/ GL @				
	1,950' MD				
Note: 12.25" surface hole will usually be drilled ±400' below the bottom of lost circulation zone. Drilled depth may be ±200' of the estimated set depth depending on the actual depth of the loss zone.					
	Mahogany @	1,953'			
Mud logging program TBD					
Open hole logging program f/ TD - surf csg					
	Wasatch @	4,100'	7-7/8"	4-1/2", 11.6#, I-80 or equivalent LTC casing	Water/Fresh Water Mud 8.3-11.5 ppg
	Mverde @	6,390'			
	MVU2 @	7,213'			
	MVL1 @	7,759'			
	TD @	8,290'			Max anticipated Mud required 11.5 ppg



KERR-McGEE OIL & GAS ONSHORE LP **DRILLING PROGRAM**

CASING PROGRAM

	SIZE	INTERVAL	WT.	GR.	CPLG.	DESIGN FACTORS		
						BURST	COLLAPSE	TENSION
CONDUCTOR	14"	0-40'				2270	1370	254000
SURFACE	9-5/8"	0 to 1950	32.30	H-40	STC	0.72*****	1.50	4.61
						7780	6350	201000
PRODUCTION	4-1/2"	0 to 8290	11.60	I-80	LTC	2.48	1.28	2.40

- 1) Max Anticipated Surf. Press. (MASP) (Surface Casing) = (Pore Pressure at next csg point - (0.22 psi/ft - partial evac gradient x TVD of next csg point))
- 2) MASP (Prod Casing) = Pore Pressure at TD - (.22 psi/ft - partial evac gradient x TD)
- (Burst Assumptions: TD = 11.5 ppg) .22 psi/ft = gradient for partially evac wellbore
- (Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing * Buoy. Fact. of water)
- MASP 3134 psi
- ***** Burst SF is low but csg is much stronger than formation at 2000'. EMW @ 2000' for 2270# is 21.8 ppg or 1.13 psi/ft

CEMENT PROGRAM

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE Option 1	LEAD	500	Premium cmt + 2% CaCl + .25 pps flocele	215	60%	15.60	1.18
	TOP OUT CMT (1)	200	20 gals sodium silicate + Premium cmt + 2% CaCl + .25 pps flocele	50		15.60	1.18
	TOP OUT CMT (2)	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
SURFACE Option 2		NOTE: If well will circulate water to surface, option 2 will be utilized					
	LEAD	1500	Prem cmt + 16% Gel + 10 pps gilsonite + .25 pps Flocele + 3% salt BWOC	170	35%	11.00	3.82
	TAIL	500	Premium cmt + 2% CaCl + .25 pps flocele	180	35%	15.60	1.18
	TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
PRODUCTION	LEAD	3,600'	Premium Lite II + 3% KCl + 0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender	390	60%	11.00	3.38
	TAIL	4,690'	50/50 Poz/G + 10% salt + 2% gel + .1% R-3	1310	60%	14.30	1.31

*Substitute caliper hole volume plus 0% excess for LEAD if accurate caliper is obtained

*Substitute caliper hole volume plus 10% excess for TAIL if accurate caliper is obtained

FLOAT EQUIPMENT & CENTRALIZERS

SURFACE	Guide shoe, 1 jt, insert float. Centralize first 3 joints with bow spring centralizers. Thread lock guide shoe.
PRODUCTION	Float shoe, 1 jt, float collar. Centralize first 3 joints & every third joint to top of tail cement with bow spring centralizers.

ADDITIONAL INFORMATION

Test casing head to 750 psi after installing. Test surface casing to 1,500 psi prior to drilling out.

BOPE: 11" 5M with one annular and 2 rams. Test to 5,000 psi (annular to 2,500 psi) prior to drilling out. Record on chart recorder &

tour sheet. Function test rams on each trip. Maintain safety valve & inside BOP on rig floor at all times. Kelly to be equipped with upper & lower kelly valves.

Drop Totco surveys every 2000'. Maximum allowable hole angle is 5 degrees.

Most rigs have PVT Systems for mud monitoring. If no PVT is available, visual monitoring will be utilized.

DRILLING ENGINEER:

Brad Laney

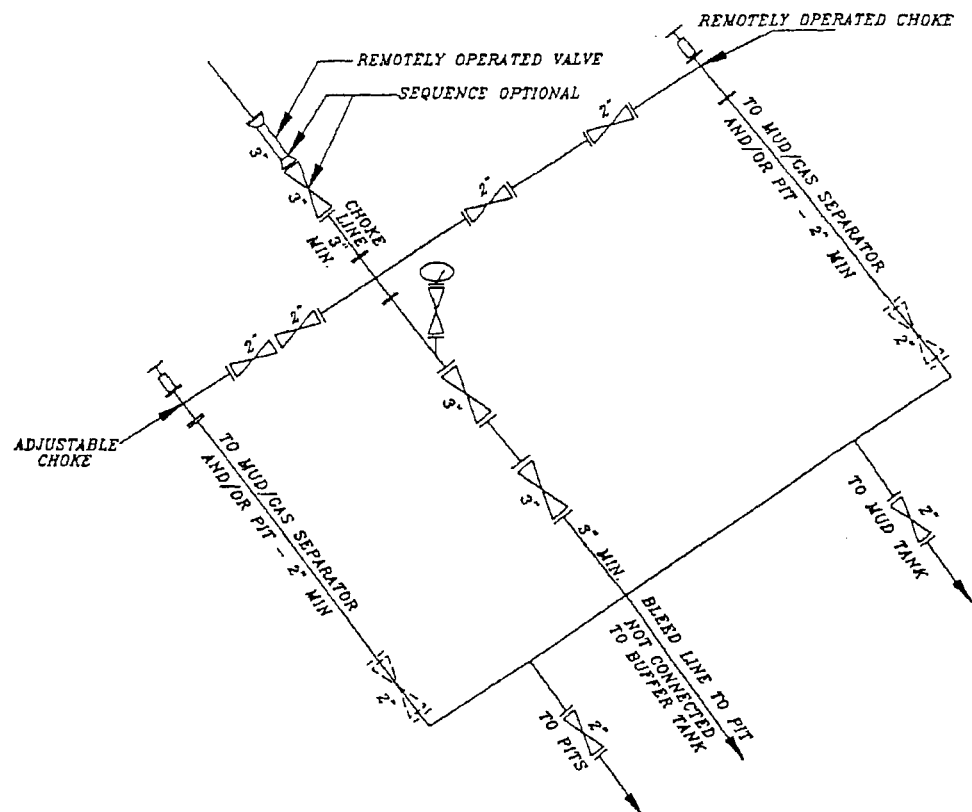
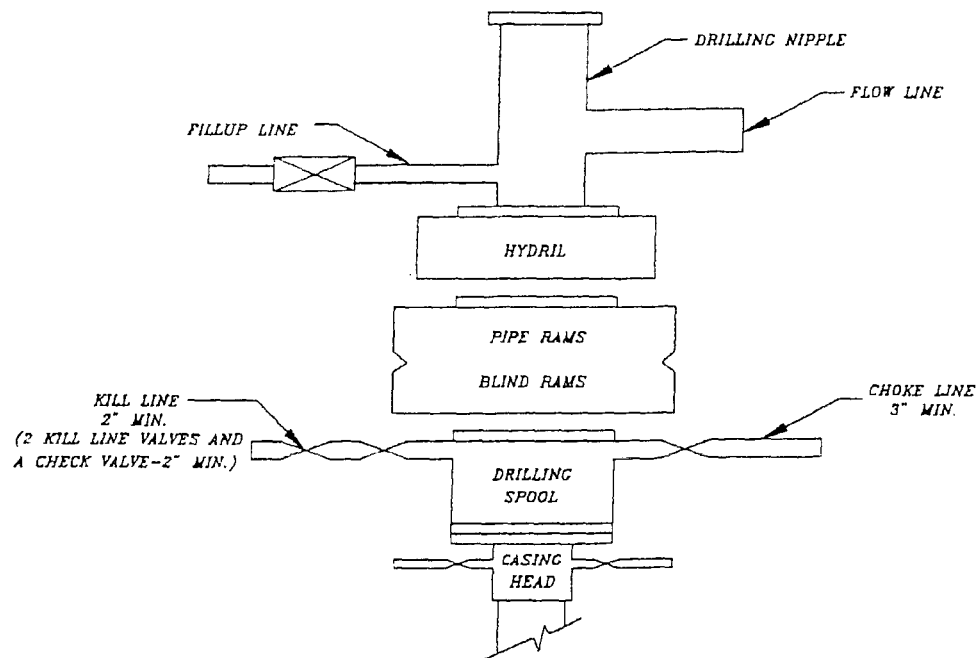
DATE:

DRILLING SUPERINTENDENT:

Randv Bavne

DATE:

5M BOP STACK and CHOKE MANIFOLD SYSTEM



**BONANZA 1023-7E-4
SW/NW SEC. 7, T10S, R23E
UINTAH COUNTY, UTAH
UTU-38420**

ONSHORE ORDER NO. 1

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. Existing Roads:

Directions to the proposed location are attached.

Refer to Topo Maps A and B for location of access roads within a 2-mile radius.

All existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.

2. Planned Access Roads:

Approximately 350' +/- of access road is proposed. Refer to Topo Map B.

The access road will be crowned (2 to 3%), ditched and constructed with a running surface of 18 feet and a maximum disturbed width of 30 feet. Graveling or capping the roadbed will be performed as necessary to provide a well constructed, safe road. Prior to construction or upgrading, the proposed road shall be cleared of any snow and allowed to dry completely.

Surface disturbance and vehicular traffic will be limited to the proposed location and proposed access route. Any additional area needed will be approved in advance. All construction shall be in conformance with the standards outlined in the BLM and Forest Service publication: Surface Operating Standards for Oil and Gas Exploration and Development. 1989.

The road surface and shoulders will be kept in a safe and usable condition and will be maintained in accordance with the original construction standards. All drainage ditches will be kept clear and free-flowing and will be maintained according to original construction standards. The access road surface will be kept free of trash during operations. All traffic will be confined to the approved disturbed surface. Road drainage crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossing or shall the drainages be blocked by the road bed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts. Should mud holes develop, they shall be filled in and detours around them avoided. When snow is removed from the road during the winter months, the snow shall be pushed outside of the borrow ditches, and the turnouts kept clear so that snowmelt will be channeled away from the road.

3. Location of Existing Wells Within a 1-Mile Radius:

Please refer to Topo Map C.

4. **Location of Existing & Proposed Facilities & Pipelines:**

The following guidelines will apply if the well is productive.

All production facilities will be located on the disturbed portion of the well pad and at a minimum of 25 feet from the toe of the back slope or the top of the fill slope.

A dike will be constructed completely around those production facilities which contain fluids (i.e., production tanks, produced water tanks, and/or heater/treater). These dikes will be constructed of compacted subsoil, be impervious, hold 100% of the capacity of the largest tank, and be independent of the back cut.

All permanent (on-site six months or longer) above the ground structures constructed or installed, including pumping units, will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the five state Rocky Mountain Inter-Agency Committee.

All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded. The requested color is Carlsbad Canyon (2.5 Y 6/2) as determined during the on-site inspection.

Any necessary pits will be properly fenced to protect livestock and prevent wildlife entry.

Variances to Best Management Practices (BMP) Requests:

Approximately 564' +/- of 4" pipeline is proposed from the location to tie-in to an existing pipeline. Refer to Topo Map D for pipeline placement.

The pipeline shall be installed on surface within access corridor for the well location. As a Best Management Practice (BMP), the pipeline would be buried within the access road corridor if possible. The construction of pipelines requires the corridor of 30 feet.

This exception to the BMP should be granted by the BLM Authorized Officer because indurated bedrock, such as sandstone, is at or within 2 feet of the surface and the soil has a poor history for successful rehabilitation.

5. **Location and Type of Water Supply:**

Water for drilling purposes will be obtained from Dalbo Inc.'s underground well located in Ouray, Utah, Sec.32, T4S,R3E, Water User Claim #43-8496, Application #53617.

Water will be hauled to location over the roads marked on Maps A and B.

No water well is to be drilled on this lease.

6. **Source of Construction Materials:**

Surface and subsoil materials in the immediate area will be utilized.

Any gravel will be obtained from a commercial source.

7. **Methods of Handling Waste Materials:**

Drill cuttings will be contained and buried in the reserve pit.

Drilling fluids, including salts and chemicals, will be contained in the reserve pit. Upon termination of drilling and completion operations, the liquid contents of the reserve pit will be removed and disposed of at an approved waste disposal facility within 120 days after drilling is terminated.

The reserve pit will be constructed on the location and will not be located within natural drainage, where a flood hazard exists or surface runoff will destroy or damage the pit walls. The reserve pit will be constructed so that it will not leak, break, or allow discharge of liquids.

A plastic reinforced liner is to be used as discussed during on-site inspection. It will be a minimum of 20 mil thick and felt with sufficient bedding used to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash or scrap that could puncture the liner will be disposed of in the pit.

Any spills of oil, gas, salt water, or other noxious fluids will be immediately cleaned up and removed to an approved disposal site.

A chemical porta-toilet will be furnished with the drilling rig.

Garbage, trash, and other waste materials will be collected in a portable, self-contained, fully enclosed trash cage during operations. No trash will be burned on location.

All debris and other waste material not contained in the trash cage will be cleaned up and removed from the location immediately after removal of the drilling rig.

Any open pits will be fenced during the operations. The fencing will be maintained until such time as the pits are backfilled.

No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

Any produced water from the proposed well will be contained in a water tank and will then be hauled by truck to one of the pre-approved disposal sites: RNI, Sec. 5, T9S, R22E, NBU #159, Sec. 35, T9S, R21E, Ace Oilfield, Sec. 2, T6S, R20E, MC&MC, Sec. 12, T6S, R19E. (Request is in lieu of filing Form 3160-5, after initial production).

8. **Ancillary Facilities:**

None are anticipated.

9. **Well Site Layout:** (See Location Layout Diagram)

The attached Location Layout Diagram describes drill pad cross-sections, cuts and fills, and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s).

Please see the attached diagram to describe rig orientation, parking areas, and access roads.

39 inch net wire will be used with at least one strand of barbed wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.

The net wire shall be no more than two inches above the ground. The barbed wire shall be three inches over the net wire. Total height of the fence shall be at least 42 inches.

Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.

Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any 2 fence posts shall be no greater than 16 feet.

All wire shall be stretched, by using a stretching device, before it is attached to corner posts.

The reserve pit fencing will be on three sides during drilling operations, and on the fourth side when the rig moves off location. Pits will be fenced and maintained until cleanup.

10. **Plans for Reclamation of the Surface:**

Producing Location:

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, materials, trash, and debris not required for production.

Immediately upon well completion, any hydrocarbons in the pit shall be removed in accordance with 43 CFR 3162.7-1.

Before any dirt work associated with location restoration takes place, the reserve pit shall be as dry as possible. All debris in it will be removed. Other waste and spoil materials will be disposed of immediately upon completion of operations.

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours. The reserve pit will be reclaimed within 90 days from the date of well completion, weather permitting.

To prevent surface water (s) from standing (ponding) on the reclaimed reserve pit area, final reclamation of the reserve pit will consist of "mounding" the surface three feet above surrounding ground surface to allow the reclaimed pit area to drain effectively.

Upon completion of backfilling, leveling, and recontouring, the stockpiled topsoil will be spread evenly over the reclaimed area(s).

Dry Hole/Abandoned Location:

Abandoned well sites, roads, and other disturbed areas will be restored as near as practical to their original condition. Where applicable, these conditions include the re-establishment of irrigation systems, the re-establishment of appropriate soil conditions, and re-establishment of vegetation as specified.

All disturbed surfaces will be recontoured to the approximate natural contours, with reclamation of the well pad and access road to be performed as soon as practical after final abandonment. Reseeding operations will be performed after completion of other reclamation operations.

When the pit is backfilled, the topsoil pile shall be spread on the location up to the rig anchor points. The location will be reshaped to the original contour to the extent possible. The following seed mixture will be used to reclaim the surface for interim reclamation using appropriate reclamation methods. A total of 12 lbs/acre will be used if the seeds are drilled (24 lbs/acre if the seeds are broadcast). The per acre requirements for drilled seeds are:

Galleta Grass	20 lbs
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The operator shall call BLM for the seed mixture when final reclamation occurs.

11. Surface Ownership:

United States of America
Bureau of Land Management
170 South 500 East
Vernal, UT 84078
(435) 781-4400

12. Other Information:

A Class III Archaeological Report has been performed and completed and will be submitted when the report becomes available.

Paleontological Reconnaissance Report has been performed and completed on October 10, 2006, the Paleontological Reconnaissance Report No. 06-299. This report is being submitted along with the Application for Permit to Drill (APD).

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, the approved Plan of Operations, and any applicable Notice of lessees. The Operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance. The Operator will control noxious weeds along Rights-Of-Way for roads, pipelines, well sites, or other applicable facilities.

13. Lessee's or Operators's Representative & Certification:

Sheila Upchego
Regulatory Analyst
Kerr-McGee Oil & Gas Onshore LP
1368 South 1200 East
Vernal, UT 84078
(435) 781-7024

Randy Bayne
Drilling Manager
Kerr-McGee Oil & Gas Onshore LP
1368 South 1200 East
Vernal, UT 84078
(435)781-7018

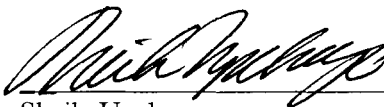
Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

Kerr-McGee Oil & Gas Onshore LP is considered to be the operator of the subject well. Westport Oil & Gas Company agrees to be responsible under the terms and the conditions of the lease for the operations conducted upon leased lands.

Bond coverage pursuant to 43 CFR 3104 for the lease activities is being provided by BLM Nationwide Bond #WY-2357.

I hereby certify that the proposed drill site and access route has been inspected and that I am familiar with the conditions that currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed by the Operator, its contractors, and subcontractors in conformity with this plan and the terms and conditions under which it is approved.



Sheila Upchego

December 5, 2006

Date

Kerr-McGee Oil & Gas Onshore LP
BONANZA #1023-7E-4
SECTION 7, T10S, R23E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 0.3 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 12.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 1.7 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 1.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN RIGHT AND PROCEED IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 0.5 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 3.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN RIGHT AND PROCEED IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 0.7 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN LEFT AND PROCEED IN A SOUTHEASTERLY, THEN SOUTHERLY DIRECTION APPROXIMATELY 1.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY, THEN SOUTHWESTERLY, THEN SOUTHERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 2.2 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE SOUTHEAST; FOLLOW ROAD FLAGS IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 350' TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 55.8 MILES.

Kerr-McGee Oil & Gas Onshore LP

BONANZA #1023-7E-4

LOCATED IN UTAH COUNTY, UTAH

SECTION 7, T10S, R23E, S1E.B.&M.

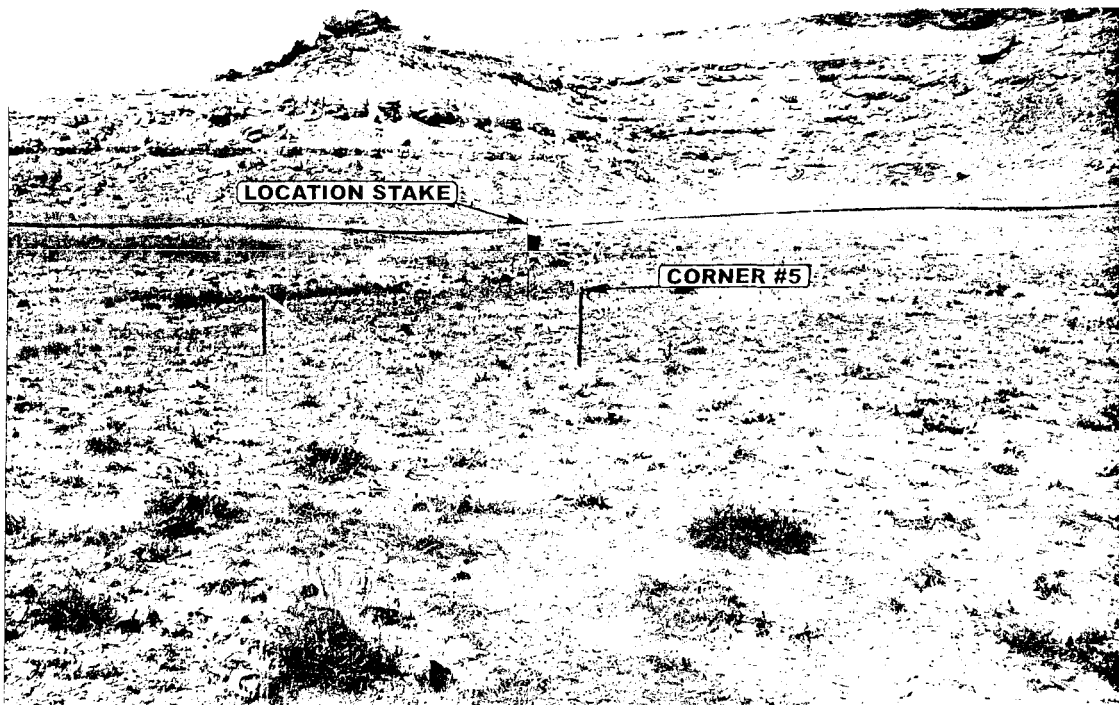


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHEASTERLY



Since 1964

ELS

Utah Engineering & Land Surveying

85 South 200 East Vernal, Utah 84078

435-789-1017 uelsa uelsinc.com

LOCATION PHOTOS

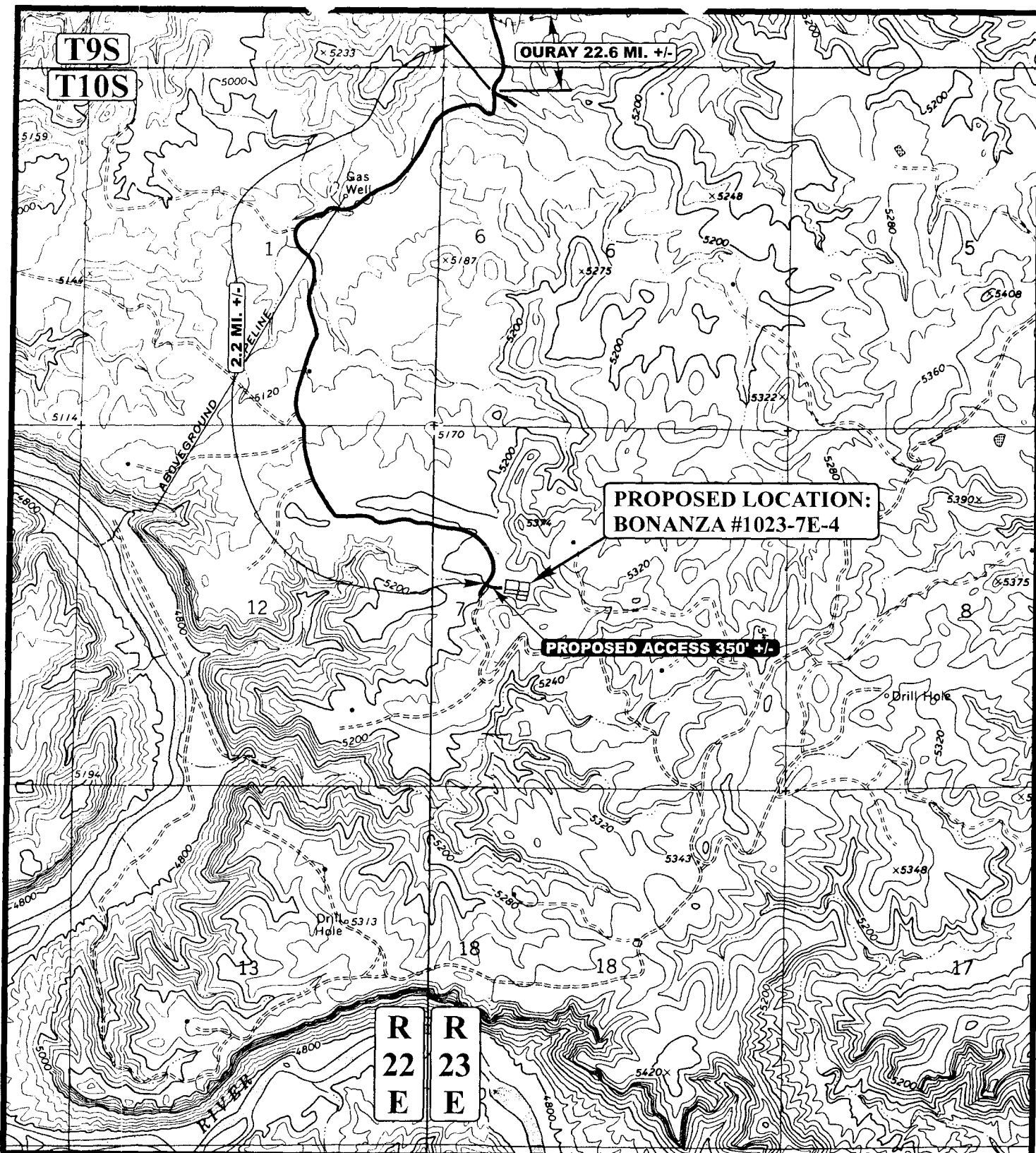
09 07 06
MONTH DAY YEAR

PHOTO



TAKEN BY: D.K.

DRAWN BY: C.P.

REVISED: 00-00-00



LEGEND:

 EXISTING ROAD
 PROPOSED ACCESS ROAD



Kerr-McGee Oil & Gas Onshore LP

BONANZA #1023-7E-4

SECTION 7, T10S, R23E, S.L.B.&M.

2420' FNL 1269' FWL



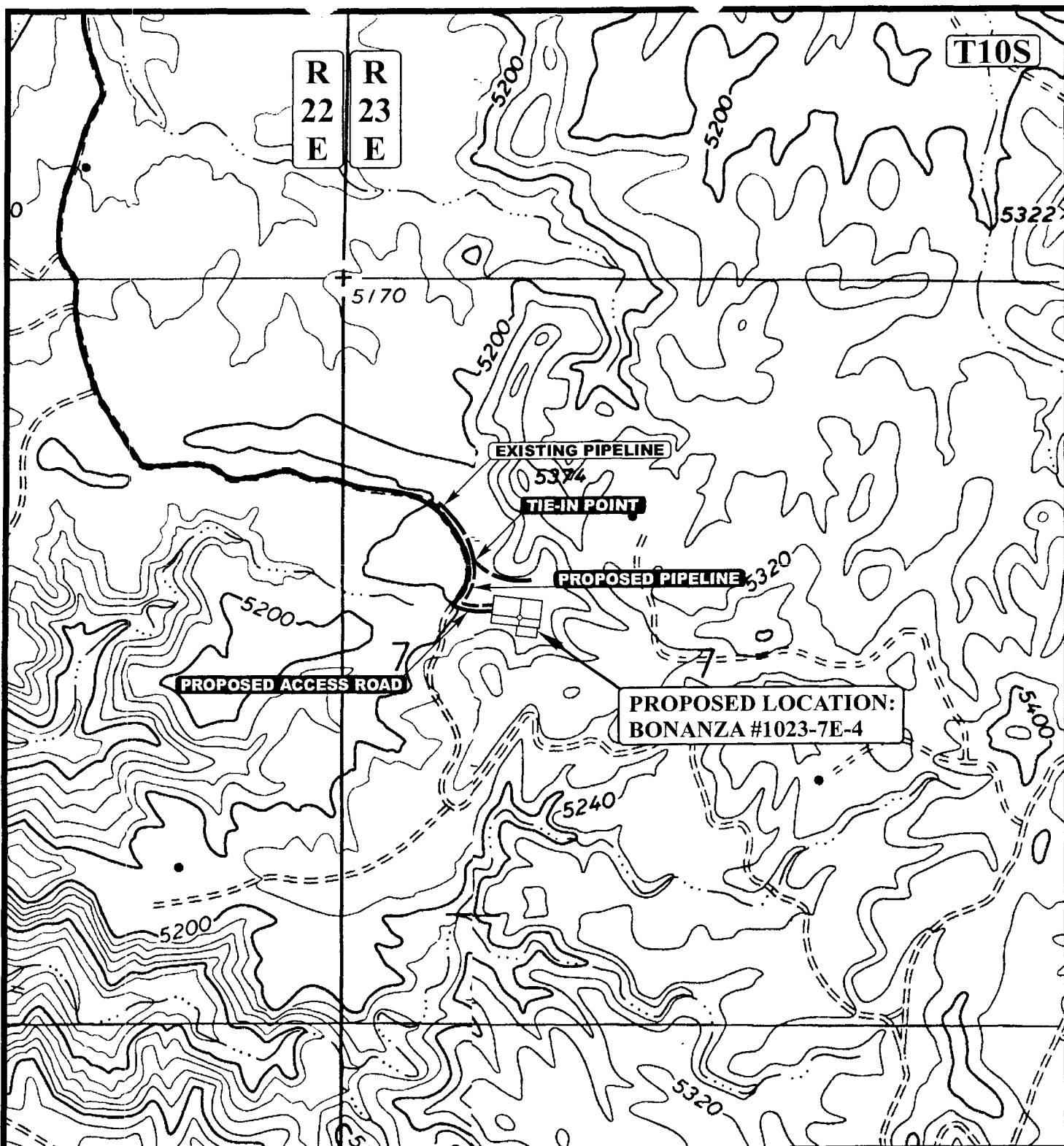
Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
MAP

09 **07** **06**
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 00-00-00





APPROXIMATE TOTAL PIPELINE DISTANCE = 564' +/-

LEGEND:

————— PROPOSED ACCESS ROAD
 ————— EXISTING PIPELINE
 - - - - - PROPOSED PIPELINE



Kerr-McGee Oil & Gas Onshore LP

BONANZA #1023-7E-4

SECTION 7, T10S, R23E, S.L.B.&M.

2420' FNL 1269' FWL



Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
MAP

09 **07** **06**
 MONTH DAY YEAR

SCALE: 1" = 1000' DRAWN BY: C.P. REVISED: 00-00-00

D
TOPO

Kerr-McGee Oil & Gas Onshore LP

BONANZA #1023-7E-4

PIPELINE ALIGNMENT

LOCATED IN UTAH COUNTY, UTAH

SECTION 7, T10S, R23E, S1B&M.



PHOTO: VIEW FROM TIE-IN POINT

CAMERA ANGLE: SOUTHERLY

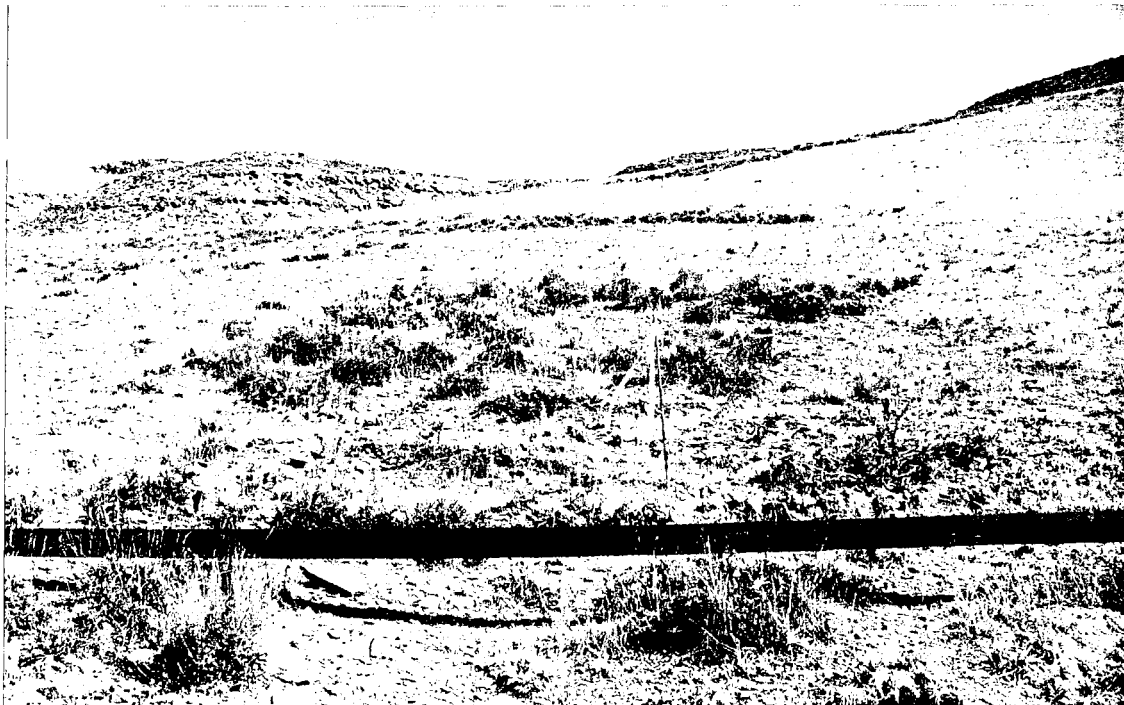


PHOTO: VIEW OF PIPELINE ALIGNMENT

CAMERA ANGLE: SOUTHEASTERLY



Since 1964

E&LS

Uintah Engineering & Land Surveying

85 South 200 East Vernal, Utah 84078
435-789-1017 uelsa@uelsinc.com

PIPELINE PHOTOS

09 07 06
MONTH DAY YEAR

PHOTO

TAKEN BY: D.K.

DRAWN BY: C.P.

REVISED: 00-00-00

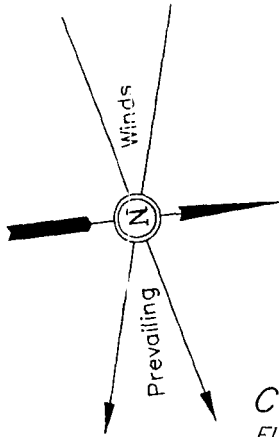
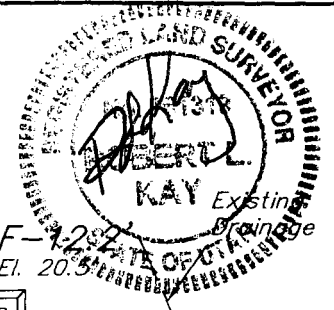
Kerr-McGee Oil & Gas Onshore LP

LOCATION LAYOUT FOR

BONANZA #1023-7E-4

SECTION 7, T10S, R23E, S.L.B.&M.

2420' FNL 1269' FWL



SCALE: 1" = 50'
DATE: 09-05-06
Drawn By: C.H.

NOTE:

Flare Pit is to be located a min. of 100' from the Well Head.

El. 18.5'
C-41.2'
(btm. pit)

Reserve Pit Backfill
& Spoils Stockpile

15' WIDE BENCH

RESERVE PITS
(10' Deep)
Total Pit Capacity
W/2' of Freeboard
= 9,850 Bbls. ±
Total Pit Volume
= 2,780 Cu. Yds.

SLOPE 1 1/2 : 1

El. 43.8'
C-21.1'
(btm. pit)

15' WIDE BENCH

C-6.1'
El. 38.8'

Approx.
Top of
Cut Slope

NOTES:

Elev. Ungraded Ground At Loc. Stake = 5234.4'

FINISHED GRADE ELEV. AT LOC. STAKE = 5233.2'

Topsoil Stockpile

Proposed Access Road

F-1.2'
El. 20.5'

Sta. 3+50

Round Corners
as Needed

Approx.
Toe of
Fill Slope

PIPE TUBS

PIPE RACKS

CATWALK

C-4.5'
El. 37.2'

C-1.7'
El. 34.4'

RIG

C-4.7'
El. 37.4'

MUD TANKS

MUD TANKS

MUD TANKS

PUMP HOUSE

DOG HOUSE

LIGHT PLANT

BOILER

TOILET

TRAILER

F-8.1'
El. 24.6'

Sta. 1+50

Existing Drainage

WATER TANK

Sta. 0+50

Existing Drainage

C-5.8'
El. 38.5'

PROpane STORAGE

TRASH

F-0.7'
El. 32.0'

CONSTRUCT
DIVERSION
DITCH

Sta. 0+00

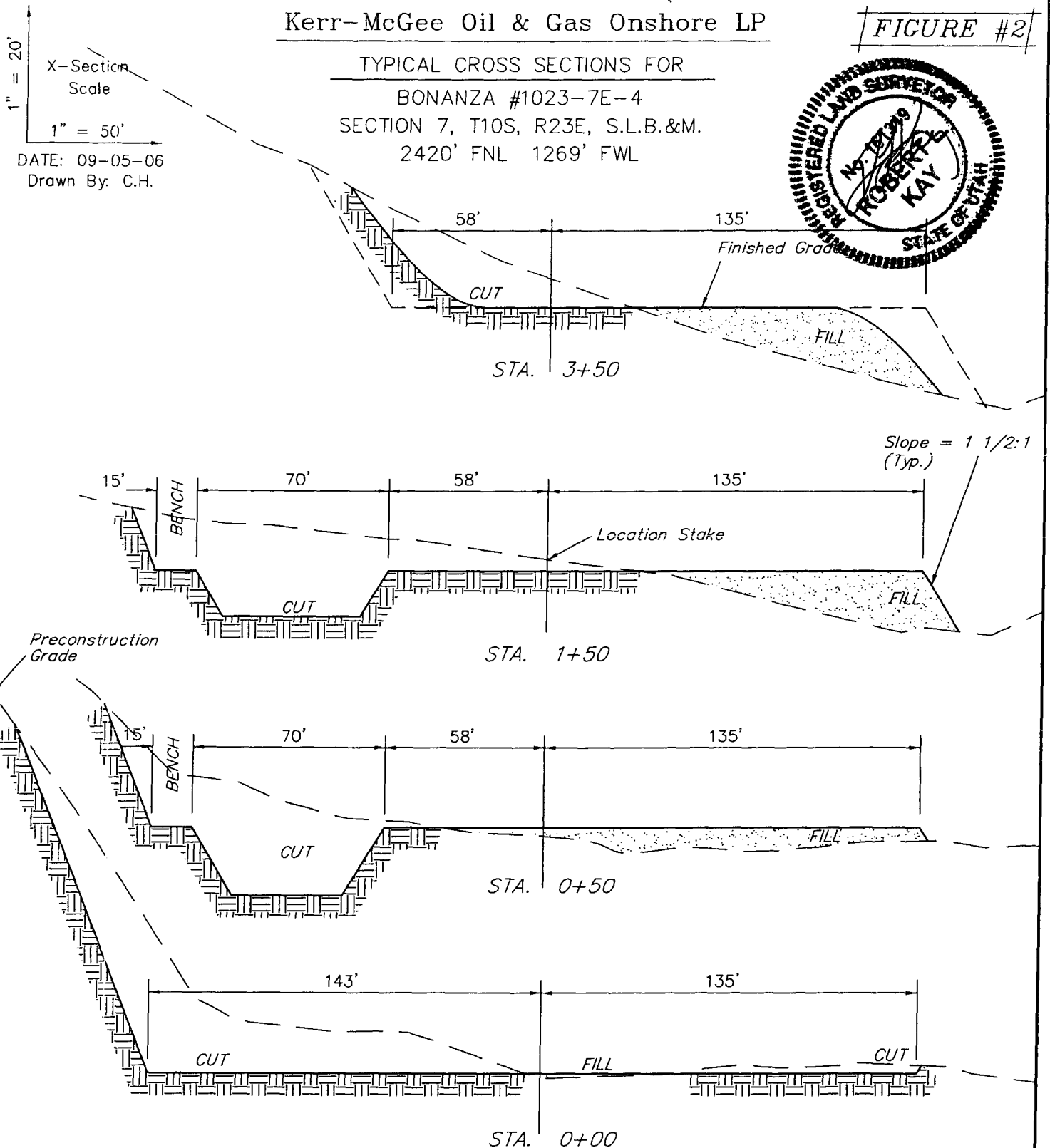
C-1.2'
El. 33.9'

FIGURE #1

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

Kerr-McGee Oil & Gas Onshore LP

FIGURE #2



APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,930 Cu. Yds.
Remaining Location	= 10,370 Cu. Yds.
TOTAL CUT	= 12,300 CU.YDS.
FILL	= 8,980 CU.YDS.

EXCESS MATERIAL	= 3,320 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 3,320 Cu. Yds.
EXCESS UNBALANCE (After Interim Rehabilitation)	= 0 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East • Vernal, Utah 84078 • (435) 789-1017

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 12/11/2006

API NO. ASSIGNED: 43-047-38913

WELL NAME: BONANZA 1023-7E-4

OPERATOR: KERR-MCGEE OIL & GAS (N2995)

CONTACT: SHEILA UPCHEGO

PHONE NUMBER: 435-781-7024

PROPOSED LOCATION:

SWNW 07 100S 230E

SURFACE: 2420 FNL 1269 FWL

BOTTOM: 2420 FNL 1269 FWL

COUNTY: UINTAH

LATITUDE: 39.96406 LONGITUDE: -109.3737

UTM SURF EASTINGS: 638899 NORTHINGS: 4424824

FIELD NAME: NATURAL BUTTES (630)

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU-38420

SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: WSMVD

COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

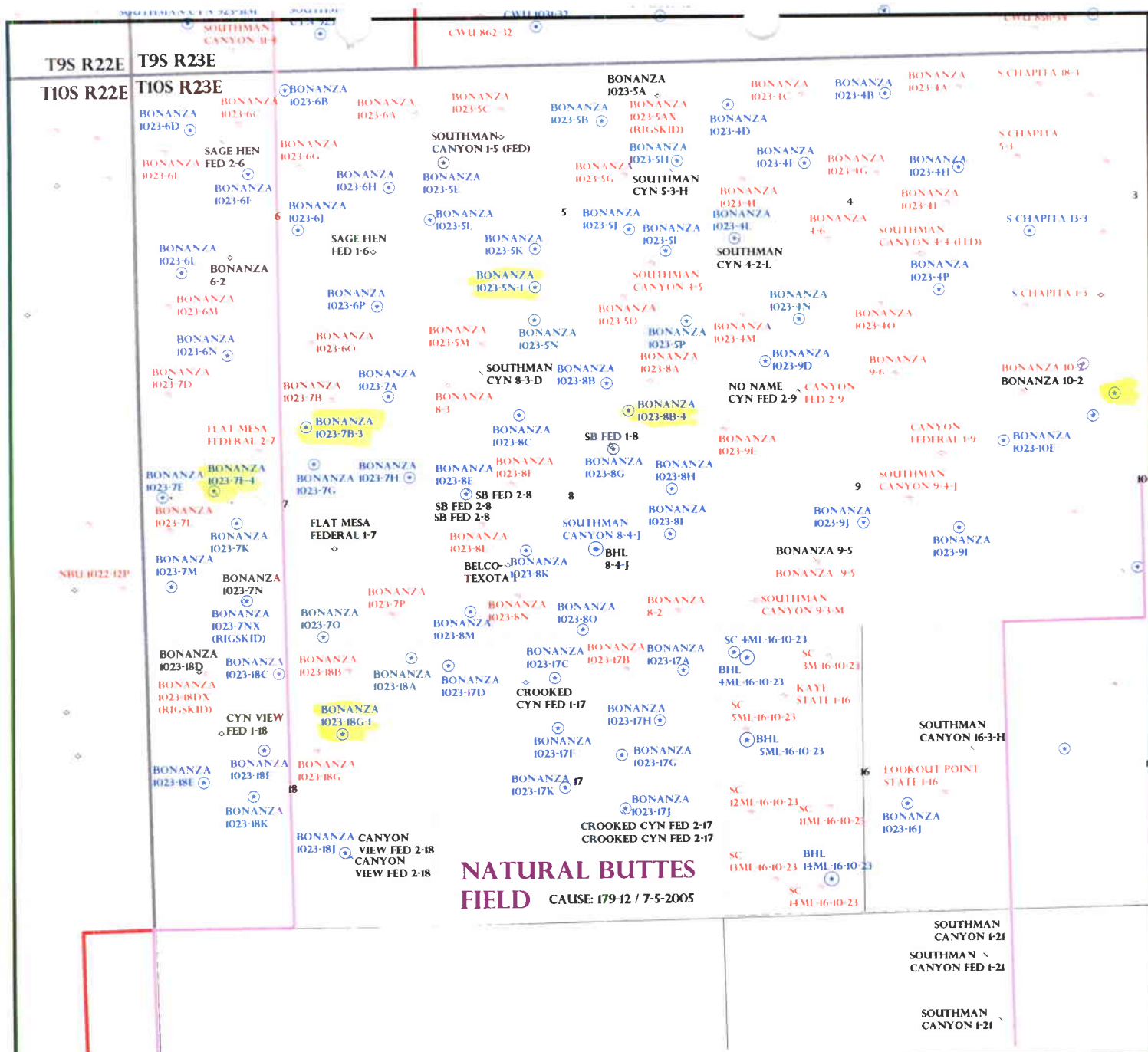
☒ Plat
☒ Bond: Fed[1] Ind[] Sta[] Fee[]
(No. WY-2357)
☒ Potash (Y/N)
☒ Oil Shale 190-5 (B) or 190-3 or 190-13
☒ Water Permit
(No. 43-8496)
☒ RDCC Review (Y/N)
(Date:)
☒ Fee Surf Agreement (Y/N)
☒ Intent to Commingle (Y/N)

LOCATION AND SITING:

☐ R649-2-3.
Unit: _____
☐ R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
☐ R649-3-3. Exception
☒ Drilling Unit
Board Cause No: 179-12
Eff Date: 2-5-2005
Siting: 460' from well & 920' from other wells.
☐ R649-3-11. Directional Drill

COMMENTS: _____

STIPULATIONS: 1 - Federal Approval



OPERATOR: KERR MCGEE O&G (N2995)

SEC: 5,7,8,18 T.10S R. 23E

FIELD: NATURAL BUTTES (630)

COUNTY: UTAH

CAUSE: 179-12 / 7-5-2005

Field Status

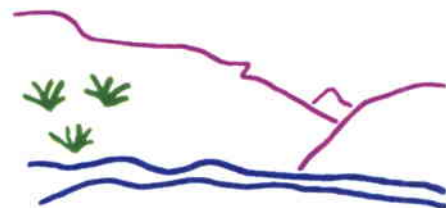
- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED

Unit Status

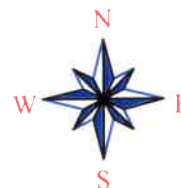
- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERMAL
- PP OIL
- SECONDARY
- TERMINATED

Wells Status

- + GAS INJECTION
- x GAS STORAGE
- x LOCATION ABANDONED
- x NEW LOCATION
- x PLUGGED & ABANDONED
- x PRODUCING GAS
- x PRODUCING OIL
- x SHUT-IN GAS
- x SHUT-IN OIL
- x TEMP. ABANDONED
- x TEST WELL
- △ WATER INJECTION
- △ WATER SUPPLY
- △ WATER DISPOSAL
- △ DRILLING



Utah Oil Gas and Mining



PREPARED BY: DIANA MASON
DATE: 12-DECEMBER-2006



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

December 13, 2006

Kerr-McGee Oil & Gas
1368 S 1200 E
Vernal, UT 84078

Re: Bonanza 1023-7E-4 Well, 2420' FNL, 1269' FWL, SW NW, Sec. 7, T. 10 South,
R. 23 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-38913.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Uintah County Assessor (via e-mail)
Bureau of Land Management, Vernal District Office

Operator: Kerr-McGee Oil & Gas
Well Name & Number Bonanza 1023-7E-4
API Number: 43-047-38913
Lease: UTU-38420

Location: SW NW **Sec.** 7 **T.** 10 South **R.** 23 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE – Other instructions on reverse side

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. UTU-38420
2. Name of Operator KERR-MCGEE OIL & GAS ONSHORE LP		6. If Indian, Allottee or Tribe Name
3a. Address - 1999 BROADWAY, STE 3700, DENVER, CO 80202 Attention - Raleen White	3b. Phone No. (include area code) 720-929-6666	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 2420' FNL, 1269' FWL SWNW SECTION 7, T10S, R23E SLB&M		8. Well Name and No. BONANZA 1023-7E-4
		9. API Well No. 43-047-38913
		10. Field and Pool, or Exploratory Area
		11. County or Parish, State UINTAH, UTAH

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other APD EXTENSION
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	DOGM
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

THE OPERATOR REQUESTS AUTHORIZATION FOR A ONE YEAR EXTENSION FOR THE SUBJECT WELL LOCATION. SO T THE DRILLING OPERATIONS MAY BE COMPLETED. THE ORIGINAL APD WAS APPROVED BY THE DIVISION OF OIL, GAS AND MINING ON DECEMBER 13, 2006

Utah Division of
Oil, Gas and Mining

COPY SENT TO OPERATOR

Date: **12-17-2007**
Initials: **KS**

Date: **12-17-07**
By: **[Signature]**

RECEIVED
DEC 06 2007

DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

RALEEN WHITE

Title

SR. REGULATORY ANALYST

Signature

Date

December 4, 2007

THIS SPACE FOR FEDERAL OR STATE USE

Approved by	Title	Date
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office	

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

RESET

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 4304738913
Well Name: BONANZA 1023-7E-4
Location: SWNW, SECTION 7, T10S, R23E SLB&M
Company Permit Issued to: KERR-MCGEE OIL & GAS ONSHORE LP
Date Original Permit Issued: 12/13/2006

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☒

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒

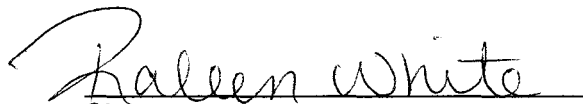
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

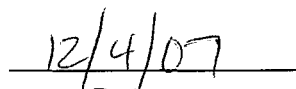
Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐


Signature


Date

Title: SR. REGULATORY ANALYST

Representing: KERR-MCGEE OIL & GAS ONSHORE LP

RECEIVED

DEC 06 2007

DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-38420
2. NAME OF OPERATOR: Kerr-McGee Oil & Gas Onshore, LP		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: P.O. Box 173779 CITY Denver STATE CO ZIP 80217-3779 PHONE NUMBER: (720) 929-6226		7. UNIT or CA AGREEMENT NAME: N/A
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2420' FNL & 1269' FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: S MNW 7 10S 23E		8. WELL NAME and NUMBER: Bonanza 1023-7E-4
		9. API NUMBER: 4304738913
		10. FIELD AND POOL, OR WILDCAT: Natural Buttes Field
		COUNTY: Uintah
		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: APD Extension
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Kerr-McGee Oil & Gas Onshore, LP, respectfully requests a one year extension for this APD in order to complete drilling operations. The Utah Division of Oil, Gas, and Mining initially approved this APD on 12/13/2006.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 12-22-08
By: [Signature]

NAME (PLEASE PRINT) <u>Kevin McIntyre</u>	TITLE <u>Regulatory Analyst</u>
SIGNATURE <u>[Signature]</u>	DATE <u>12/16/2008</u>

(This space for State use only)

COPY SENT TO OPERATOR

Date: 12.30.2008

Initials: KS

(See Instructions on Reverse Side)

RECEIVED

DEC 17 2008

DIV. OF OIL, GAS & MINING

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 4304738913
Well Name: Bonanza 1023-7E-4
Location: S XWNW 2420' FNL & 1269' FWL, Sec. 7, T10S R23E
Company Permit Issued to: Kerr-McGee Oil & Gas Onshore, LP
Date Original Permit Issued: 12/13/2006

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☒

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐


Signature

12/16/2008
Date

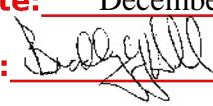
Title: Regulatory Analyst

Representing: Kerr-McGee Oil & Gas Onshore, LP

RECEIVED

DEC 17 2008

DIV. OF OIL, GAS & MINING

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9			
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-38420			
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:			
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.		7. UNIT or CA AGREEMENT NAME:			
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779		8. WELL NAME and NUMBER: BONANZA 1023-7E-4			
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2420 FNL 1269 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWNW Section: 07 Township: 10.0S Range: 23.0E Meridian: S		9. API NUMBER: 43047389130000			
PHONE NUMBER: 720 929-6007 Ext		9. FIELD and POOL or WILDCAT: NATURAL BUTTES			
COUNTY: UINTAH		STATE: UTAH			
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA					
TYPE OF SUBMISSION	TYPE OF ACTION				
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 12/22/2009 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<table style="width: 100%; border: none;"> <tr> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION </td> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER </td> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER: _____ </td> </tr> </table>		<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER: _____
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12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. Kerr-McGee Oil & Gas Onshore, L.P. (Kerr-McGee) respectfully requests an extension to this APD for the maximum time allowed. Please contact the undersigned with any questions and/or comments. Thank you.					
Approved by the Utah Division of Oil, Gas and Mining		Date: December 21, 2009 By: 			
NAME (PLEASE PRINT) Danielle Piernot		PHONE NUMBER 720 929-6156			
SIGNATURE N/A		TITLE Regulatory Analyst DATE 12/17/2009			



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047389130000

API: 43047389130000

Well Name: BONANZA 1023-7E-4

Location: 2420 FNL 1269 FWL QTR SWNW SEC 07 TWNP 100S RNG 230E MER S

Company Permit Issued to: KERR-MCGEE OIL & GAS ONSHORE, L.P.

Date Original Permit Issued: 12/13/2006

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- If located on private land, has the ownership changed, if so, has the surface agreement been updated? ☐ Yes ☒ No
- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? ☐ Yes ☒ No
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**Approved by the
Utah Division of
Oil, Gas and Mining**

Signature: Danielle Piernot

Date: 12/17/2009

Title: Regulatory Analyst **Representing:** KERR-MCGEE OIL & GAS ONSHORE,

Date: December 21, 2009

By: 

RECEIVED December 17, 2009

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-38420
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COUNTY: UTAH		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 12/13/2010 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>

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Approved by the
Utah Division of
Oil, Gas and Mining

Date: 12/13/2010

By:

NAME (PLEASE PRINT) Danielle Piernot	PHONE NUMBER 720 929-6156	TITLE Regulatory Analyst
SIGNATURE N/A		DATE 12/8/2010



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047389130000

API: 43047389130000

Well Name: BONANZA 1023-7E-4

Location: 2420 FNL 1269 FWL QTR SWNW SEC 07 TWNP 100S RNG 230E MER S

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Approved by the
Utah Division of
Oil, Gas and Mining

Signature: Danielle Piernot

Date: 12/8/2010

Title: Regulatory Analyst **Representing:** KERR-MCGEE OIL & GAS ONSHORE,

Date: 12/13/2010

By: 



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

December 16, 2011

Danielle Piernot
Kerr McGee Oil & Gas Onshore, L.P.
P.O. Box 173779
Denver, CO 80217

43 0A7 38913
Bonanza 1023-7E-4
10S 23E 7

Re: APDs Rescinded for Kerr McGee Oil & Gas Onshore, L.P.
Uintah County

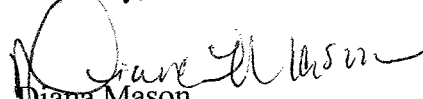
Dear Ms. Piernot:

Enclosed find the list of APDs that you requested to be rescinded. No drilling activity at these locations has been reported to the division. Therefore, approval to drill these wells is hereby rescinded, effective December 16, 2011.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,


Diana Mason
Environmental Scientist

cc: Well File
Bureau of Land Management, Vernal



43-047-40567 NBU 920-33D
43-047-38813 BONANZA 1023-12C
43-047-40416 NBU 677-26E
43-047-40417 NBU 692-06E
43-047-40418 NBU 712-35E
43-047-50185 NBU 920-29A
43-047-50186 NBU 920-29D
43-047-50187 NBU 920-29E
43-047-50188 NBU 920-29F
43-047-50189 NBU 920-29G
43-047-50190 NBU 920-29H
43-047-38879 TABEE 34-197
43-047-39829 NBU 922-18P3S
43-047-39831 NBU 922-18N2S
43-047-40444 NBU 921-10G4S
43-047-40445 NBU 921-10F2S
43-047-40446 NBU 921-10E3S
43-047-40447 NBU 921-10F3T
43-047-40437 NBU 1022-3C1S
→ 43-047-38913 BONANZA 1023-7E-4
43-047-40567 NBU 920-33D



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Green River District-Vernal Field Office

170 South 500 East

Vernal, UT 84078

(435) 781-4400 Fax: (435) 781-4410

<http://www.blm.gov/ut/st/en/fo/vernal.html>



IN REPLY REFER TO:

3160

UTG011

April 7, 2010

Kathy Schneebeck Dulnoan
Kerr McGee Oil & Gas Onshore LP
PO Box 173779
Denver, CO 80217-3779

43647-38913

Re: Return Unapproved APD
Well No. Bonanza 1023-7E-4
Lot 2, Sec. 7, T10S, R23E
Uintah County, Utah
Lease No. UTU-38420

Dear Kathy:

The Application for Permit to Drill (APD) for the above referenced well received in this office on December 12, 2006, is being returned unapproved per your request in an email message to Natural Resource Specialist Dave Gordon received on December 27, 2009. Your message stated that from previous discussions, Kerr McGee Oil & Gas Onshore LP officially requested that three APDs on the list in the email message be rescinded. If you intend to drill at this location in the future, a new Application for Permit to Drill must be submitted.

If you have any questions regarding APD processing, please contact me at (435) 781-4455.

Sincerely,

Cindy Severson

Cindy Severson
Land Law Examiner

cc: UDOGM

RECEIVED
APR 14 2010
DIV. OF OIL, GAS & MINING